

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
October 30, 2003
Traverse City, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
 Betty Jean Awrey, Vice Chairman
 Lowell Jackson, Commissioner
 John Garside, Commissioner
 C. Robert Baillod, Commissioner
 Robert Bender, Commissioner

Also Present: Pat Lockwood, Commission Advisor
 Jerry Jones, Commission Auditor
 Pat Isom, Assistant Attorney General
 Gloria J. Jeff, Director
 Leon Hank, Chief Administrative Officer
 Larry Tibbits, Chief Operations Officer
 Myron Frierson, Bureau of Finance and Administration
 Susan Mortel, Bureau of Transportation Planning
 John Friend, Bureau of Highway Delivery
 Kirk Steudle, Chief Deputy Director

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:00 a.m. in the Tower C-Conference Room of the Grand Traverse Resort in Traverse City, Michigan.

Special thanks were given by Chairman Wahby to the Chamber of Commerce for hosting the Commission members. He welcomed the President of the Chamber of Commerce, Douglas Luciani, and Fred Hoisington, Chairman of the Chambers' Transportation Committee.

Mr. Luciani thanked the Commission for coming to Traverse City, and gave a brief economic update on the Traverse City area. He appreciated the fact the STC "didn't just breeze in to have a meeting", but engaged in relationship building with the region. He expressed interest in continuing that relationship.

Mr. Luciani introduced Mr. Hoisington, who also serves as Vice Chairman of the Chamber of Commerce.

Mr. Hoisington expressed his pleasure at having the STC members in the Traverse City area. He asked the Commission's help in defining the municipal roles for transportation in that region.

Two areas in great need at this time:

1. Railroad right-of-way divestiture: concerned that their region could be left without rail service or right-of-way in the future based on the composition of the current law. The Chambers' position is that they intend to pursue legislation that would give a public entity in that region right of first refusal should any portion of the rail be put up for abandonment.
2. Boardman Bridge Project: the Chamber has taken a position of very strong support. They think it is better to have more net worth than it is necessary to widen urban city streets in Traverse City. They feel balance is needed. They are asking for Commission support for full funding of that project.

Finally, Mr. Hoisington thanked the Commission for making themselves available to the Chamber. He commended the Commission for the Preserve First Program and thanked them for US131. He thanked members of the audience for contributing to their quality of life and discussion.

Chairman Wahby thanked Commissioner Jackson for assisting with the programs and tours on Wednesday.

Commissioner Jackson thanked the people of Traverse City for their efforts in the activities the day before, and made additional brief comments. He presented Director Jeff with a picture of the SS Michigan that was given to MDOT by John Tanner, Superintendent of the Great Lakes Marine Academy.

I. COMMISSION BUSINESS

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation meeting of September 25, 2003.

Moved by Commissioner Awrey, with support from Commissioner Jackson, to approve the minutes of the Commission meeting of September 25, 2003. MOTION CARRIED.

The Chair called on Director Jeff for the Director's Report.

II. DIRECTOR'S REPORT - DIRECTOR GLORIA J. JEFF

MDOT Accomplishments

Director Jeff shared a presentation that she made to the Governor and Cabinet. With respect to reauthorization, Team MDOT has conducted fly-ins with key members of the Transportation Committees in Washington, including Congressman Petri. MDOT is producing, and Commission members should be receiving, a monthly publication entitled TeaLinks. This is intended to provide updated information on reauthorization efforts. MDOT has a 5 month extension and dialogues are continuing to make sure that Congress

is focused. MDOT is putting in place a strategy to maximize the interaction with Michigan's congressional delegation, while in Washington, as well as during Congress' recesses.

This year's focus was on protecting existing assets. The Department has worked with governmental agencies in the metropolitan Detroit area to reach a historic agreement on public transportation. They have continued to support the maritime industry in the state, in particular by providing a unique loan to the Detroit-Wayne County Port Authority to provide for an upgrade of that facility and its expansion by a private operator.

MDOT has continued to be aggressive in making transportation part of the economic development activities within the state. They have been able to spend about \$17 million in state funding and leveraged about \$2 billion in private sector investment. Director Jeff stated that MDOT has been able to create almost 3,800 jobs, and retained another 4,400.

Director Jeff gave a brief update on DARTA. The agreement has been executed. The DARTA board has been appointed. The first board meeting has been conducted, and will continue to hold monthly meetings. They have established a regular working group to move forward the initiative of this organization.

Director Jeff addressed the challenges of our budget situation. She indicated that the department has been aggressive at researching ways of reducing their administrative cost. They have reduced their external contracting by about \$20 million last fiscal year. As part of the Governor's request to all of the agencies, spending on wireless technologies, pagers, cell phones, etc. have been reduced by almost \$263,000. She further stated that while transportation is not a contributor to the general fund deficit, they were able to transfer funds or assume responsibilities that would have been the responsibilities of the general fund in an effort to help balance out the 2003 shortfall.

Another priority is partnerships. The department is aggressively working with the local units of government and private entities to assist in creating a context sensitive solution, both in terms of a single point interchange as well as a signature bridge along I-94 in the metropolitan Detroit area. They also continue to be involved in the I-94 beautification project which Commissioner Awrey has been involved in for a number of years.

The center of activities this year is the Transportation Summit. Director Jeff reminded all Commissioners that they are invited to attend on December 3rd and 4th. She expressed anticipation of bringing together all the transportation community of Michigan; not just the public or private sector providers, but the stakeholders, and those who have been engaged in the use and impact of the transportation system. Director Jeff publicly thanked Chief Deputy Director, Kirk Steudle, for his efforts in being a champion in making sure that the Summit was not just one conversation piece but a reality.

In addition, MDOT is partnering with science teachers to promote aviation education in the state of Michigan. They are working with the State Police and with all citizens in Michigan to make sure we keep our children safe with the Amber Alert.

MDOT conducted 11 listening sessions in less than one month. These are regarding proposed deferred projects and what they mean to the various communities. They have consistently conducted ongoing large public information and local advisory council meetings. Communications has been enhanced with the Director's Pot Hole Hotline. Citizens can call this hotline if there are potholes to be fixed. The Directors' voice answers the phone asking for relevant information.

MDOT is improving at informing the public of lane closures. The information is posted on the website.

"The Directors' Transportation Tours" will be conducted on a quarterly basis where she will reach out to all 7 regions within Team MDOT. This will be an opportunity for elected officials and stakeholders to have a face to face with the Director and other members of Team MDOT on their home ground.

MDOT has also been involved in the Upper Peninsula with flood response in Marquette, a Career Day which brought in middle and high school students to see if they were interested in transportation as a career, giving them an opportunity to visit our facilities, talk to our people and get a feel for what a transportation professional does on a day to day basis.

As a way to challenge the workforce and other members of the cabinet, the Director had an organized group of members from Team MDOT participate in the Labor Day Walk. There were about 70 people from MDOT (family, friends and employees) that participated

County Road Association of Michigan Contracts

The Director reported that 56 of the 61 contracts have been executed, with the remaining 5 to be signed shortly.

Vision and Values

Director Jeff stated that the Governor has initiated a state government wide effort involving all 55,000 state employees. It has allowed the Director to have a face to face with every individual of Team MDOT. About 1,300 employees have attended to date. There are approximately 17 sessions remaining. People have been asked to identify their personal values. The Director shared 4 things she views as the most important output to the sessions:

1. What should the department start doing?
2. What should the department stop doing?
3. What should the department do more of?
4. What do they want from the Director and Governor in support of those issues?

In response to this, people have been respectful, thoughtful, innovative, and imaginative. Feedback on these issues will be provided within the next 7-10 days. The Director indicated that the responses from employees will also be shared with the Commission. This will be enlightening in terms of where the organization is going.

Context Sensitive Solutions

Director Jeff asked Susan Mortel to conduct this presentation. Ms. Mortel began with defining context sensitive solutions, based upon the Federal Highway Administration's definition: "A collaborative, interdisciplinary approach that involves all stakeholders to develop a transportation facility that fits its physical setting and preserves scenic, aesthetic, historic and environmental resources, while maintaining safety and mobility".

Ms. Mortel reported that MDOT contracted with 3 landscape architecture firms who examined the trunk line system to identify all of the locations where they thought there were opportunities to protect aesthetic resources. She presented pictures of a few instances where context sensitive solutions were used.

Further, Ms. Mortel reported that there are some ongoing concerns about context sensitive solutions. Their first priority is preservation of the existing system. Sometimes they are presented with some unknown costs. They must be able to balance the preservation of the system with preservation and mobility against context sensitive solutions. Another concern has been safety

In the interest of continuous improvement, they want to continue developing their context sensitive solutions. They have formed an interdisciplinary internal working group that is currently looking at those balance issues. They will soon develop a process to work with the stakeholders, including some of environmental groups as well as local elected officials, on how they can extend the context sensitive solutions. Ms. Mortel indicated that the House Land Use and Environment Committee addressed and passed a bill on context sensitive solutions. It will now go to full floor of the House and then to the Senate. It is a one paragraph amendment to Act 51 that requires the department to consider context sensitive solutions in its design processes.

Ms. Mortel asked if there were any questions or comments.

Chairman Wahby complimented Team MDOT on their efforts in reaching out to, and working with, the public, communities and elected officials in order to bring a harmonious result to the things that go on in the community. He stated that it made the members of the Commission look good.

Commissioner Jackson also complimented and congratulated Team MDOT.

Annual State-wide Public Transit Conference

Director Jeff asked Leon Hank to conduct this presentation. This Conference was held in Grand Rapids on October 28-29, 2003. Several hundred participants representing all transit agencies across the state of Michigan.

For the first time in history the conference began with a true Multi Modal focus and presentations that emphasized the different aspects of transportation, and didn't focus exclusively on the transit segment.

The highlight of the conference was the Director's keynote speech where she stated that we needed all modes of transportation to work together, and realize that we have one transportation system.

There were multiple sessions including exercises on team building, motivational type speakers such as Dr. DeCoster from the AASHTO Institute.

Mr. Hank asked for questions or comments. None were forthcoming. The Director therefore concluded her report.

Chairman Wahby congratulated Director Jeff on her efforts of interaction in the communities.

Commissioner Bender commented on the ethanol statement in the TeaLinks publication. Since an Ag Commissioner was present, he wanted to explain that the department is not opposed to the use of ethanol, they are opposed to the way the tax structure is costing us money.

III. **OVERSIGHT**

Commission/State Administrative Board Contracts and Agreements (Exhibit A) – Leon Hank

Patricia Lockwood informed the Commission that Item 1 of this exhibit has been withdrawn, and that Item 3 is subject to completion of an internal review.

Mr. Hank gave a summary of letting statistics for the month of October. There were 42 state projects totaling \$45.5 million let on 10/3/03. That compares to 52 projects at the same period last year. One very large project in that item was \$15.9 million. They continue to receive a high percent of their bids electronically; almost 74% this month. He stated that the remaining sixteen pages of Exhibit A gives a statistical analysis of the bidding activity over the last year.

A motion was made by Commissioner Jackson to accept Exhibit A and supported by Commissioner Awrey.

Commissioner Jackson had a question regarding the chart on page 7 of the exhibit. Relating to the number of projects that come to their attention because they are 10% over the engineers' estimate, he asked if the Federal Highway Administrations' concern point as a percentage is 15%.

Mr. Hank will research this question and provide the Commission the answer.

Commissioner Jackson suggested that the department and the Commission consider using the same number the FHA uses, because the number of projects listed in the exhibit, statistically are insignificant in terms of the Commissions' review of them.

Motion was carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) – Leon Hank

Mr. Hank asked for pre-approval for the items on the 11/7/03 bid letting. Approximately 23 projects, including 2 large jobs (\$13.1 million for I-69, and \$21.9 million on Mackinac Bridge).

A motion was made by Commissioner Awrey to approve Exhibit A-1. Motion supported by Commissioner Baillod and carried on a unanimous voice vote.

Contract Adjustments (Exhibit B) - John Friend

Mr. Friend passed out a correction to the cover sheet to this exhibit.

He reported that the Office of Highway Safety Planning has provided statistics for seatbelt usage in Michigan. A recent survey shows a record level of 85% compliance. This is up significantly from years past.

Item 2003-51 is the same as Item 11-1 (US-10) in the North Region. This was a 2-year project involving construction of a temporary roadway. It required them to move the overlying asphalt as well as the sand and create a more stable structure. There was a significant cost to the department in doing this.

Commissioner Jackson asked to what degree in this type of situation do they go to the trouble of doing soil exploration under a temporary road.

Mr. Friend stated that the department does an incredible job. A number of soil borings are taken along the stretch of roadway, keeping in mind that you are looking at a small piece of roadway in terms of the underlying soil condition, and expands that into a general conclusion about the roadway.

Mr. Friend continued with:

Item 2003-61 (M-6) in the Grand Region;

Item 2003-62 (I-75) a small pedestrian bridge just south of M-59 in Auburn Hills;

Item 2003-64 (US-24) in the city of Dearborn;

Item 2003-65 (M-85) in the city of Detroit;

11-3 (US-12) in Dearborn;

11-4 and 11-7 (bridge work) in the Grand Region;

11-6 (real estate project) involving demolition of the Novi rest area

Commissioner Jackson wanted to know the percentage of the projects claimed in the department, compared to the total number that never gets to the Commission.

Director Jeff also asked if 1 or 2% of the total number of requests actually come to the Commission out of the total MDOT receives.

Mr. Friend responded that it was typically less than 3%.

Commissioner Jackson then stated that the Commission would not be involved in very many of the overruns.

Chairman Wahby asked the Director for the status of the bridge at I-75/I-94—the one that was damaged rather badly.

Director Jeff replied that a thorough inspection was done. They are looking to conduct winter construction, which means it would be a more costly process because they have to maintain ambient air and material temperatures. They are looking to have the interchange re-opened in April, 2004 for full movement.

Motion was made by Commissioner Baillod and supported by Commissioner Awrey to approve the contract adjustments. The motion carried on a unanimous voice vote.

Resolution 2003-4 Policy Delegating Authority to Decide Relocation Assistance Appeals – Director Jeff

This resolution asks the Commission to help the department clean up an administrative matter, delegating from the Commission to the Director or her Designee the ability to handle any appeals on acquisition of property of which there are disputes. It was previously the responsibility of the Highway Commission. When the Transportation Commission was created, the language was not cleared up. The Office of the Attorney General has recommended this change.

Commissioner Jackson wanted to know if this was the actual real estate purchase or is it the relocation assistance on moving people.

Director Jeff and Mr. Isom responded that was relocation assistance.

Chairman Wahby called for a motion. Motion was made by Commissioner Jackson, supported by Commissioner Bender and carried on a unanimous roll call vote to adopt the proposed resolution.

Resolution for New STF Bond Issue – Susan Mortel

The resolution authorizes bonds whose total proceeds, when added to our expected state and federal revenue, will allow for \$200 million of reinstated projects and \$260 million for preservation projects. The resolution authorizes up to \$480 million of bonds which would include the cost of issuance. The date and actual first issue will be timed based on market conditions and our cash flow needs. Final resolutions will be brought for approval by the Commission prior to any bonds being sold and those resolutions will include the details of the sale.

Chairman Wahby asked if the Commission members would be given an updated list of the 17 projects that did not get done.

Director Jeff responded yes.

Chairman Wahby entertained a motion. Motion was made by Commissioner Jackson, supported by Commissioner Bender and carried on a unanimous roll call vote to approve the resolution.

Commissioner Baillod asked what term they are looking for on these bonds.

Mr. Hank stated that it is to be determined and they will come back to the Commission with a specific resolution that the Commission will also pass when it is determined. It will probably be in the 15-20 year range. However, that is not what the Commission is being asked to vote on today.

Ms. Lockwood called the roll; all answers were affirmative.

IV. **PRESENTATIONS**

North Region – Region Engineer Brian W. Ness

Mr. Ness spoke briefly about the positive things going on in the North Region.

Chairman Wahby complimented the North Region staff on the great job they do in working with us.

Commissioner Jackson thanked Mr. Ness and others in the North Region for the work they did on their presentation.

Grand Traverse County Road Commission – Mike Dillenbeck, Manager

Mr. Jay Hooper, Chairman of the Grand Traverse County Road Commission, welcomed the Commission to the Grand Traverse Region.

Mr. Dillenbeck welcomed the Commission members and spoke briefly about the new facility GTCRC moved into a few years ago. MDOT has a 1/3 interest in the salt storage building. There are 10,000 tons of storage on site.

Bay Area Transportation Authority – Joe DeKoning, Director

Mr. DeKoning gave a brief description of their services and activities.

Asset Management Council Report - Pat Lockwood

Ms. Lockwood gave a brief report on the August TAMC meeting. She indicated their packets which contained the Asset Management Councils' Priorities that were approved at their 10/8/03 meeting. It also included an update on the data collection process. Sixty-seven counties have been completed, 5 other counties have been partially completed for a total of over 36,000 miles out of a potential of 43,000 miles. Six teams are in the field this week.

Chairman Wahby stressed to the members that if anyone will miss a Commission meeting, to let Ms. Lockwood know so that he can always ensure that they will have a quorum at the meetings.

V. **PUBLIC COMMENTS**

Kelly Thayer made general comments on transportation related issues.

John Nelson made general comments in opposition of the Boardman Project. The Traverse City Commission has voted 3 times since June to oppose this particular project.

ADJOURNMENT

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 11:30 a.m.

The next meeting of the Michigan State Transportation Commission will be held in Lansing, Michigan, on November 20, 2003, commencing at the hour of 9:00 a.m.

Commission Advisor
Patricia A. Lockwood